



21
(D. F. Doerflinger)

September 7, 2005

FDIC San Francisco Regional Office
Director Johns F. Carter
25 Jessie Street at Ecker Square
Suite 2300
San Francisco, CA 94105

Ref: Wal Mart Bank application

Dear Director Carter,

As a small, community banker in Kansas please consider this letter as my opposition to Wal Mart's application to acquire FDIC insurance. Allowing Wal Mart to mix both banking and commerce is not in the best interest of communities and Congress has made this clear for several years, as evidenced most recently by the Gramm-Leach-Bliley Act. I don't think aisle 3-banking, aisle 4-securities, aisle 5-real estate was the separation intended by Congress.

It's not much of a stretch to consider problems that might arise with Wal Mart banks. If Wal Mart makes you a loan to produce a wholesale product that Wal Mart agrees to buy back from you and then sell at retail, it seems to me we've amputated an "arms-length transaction" at the shoulder. Wal Mart stores might easily place a preference on purchasing goods from only Wal Mart Bank loan customers.

Wal Mart has a history of price-driven strategies, where everything becomes secondary to pricing and any supplier is in or out based primarily on how low they sell the product to Wal Mart. Especially in a post-Sam, post-pro USA era, loyalty to suppliers is based on price. I would argue that quality and distribution are not the reasons many items in Wal Mart stores now are marked "made in China". Those products were once made in local communities before Wal Mart made the price-driven decision to import them from thousands of miles away.

Small communities have a "quality of life" advantage over metropolitan areas but constantly face the challenge of retention. The retention of young people, qualified professionals, bank deposits, bank loans, tax base, industries, infrastructure, etc. is a continuing struggle. Large banking organizations (which Wal Mart would automatically become) already take a lot of deposits from smaller communities and redistribute them to larger urban areas with more loan demand. A customer with \$100,000 in our small community is a large customer who still gets personal attention from our bank. That

same customer to a Wal Mart bank would be the recipient of a 1-800 telephone number and told to "knock themselves out" for their banking needs.

Our bank provides 20 jobs in our community of 2,300 population and those 20 people are very involved in the community. The involvement of those 20 employees and our board of directors includes school board members, city council members, county commissioners, volunteer EMTs, volunteer firemen, recreation commission coaches, FFA advisors, Lions Club members, various church leaders, school booster club presidents, hospital board members, and too many other volunteer positions without titles to mention. Although Wal Mart and any large banking organization are interested in the deposits and loans generated in our community of 2,300, they will not fill the many volunteer positions of those 20 people from our bank.

I appreciate the ability to comment on the Wal Mart bank applications and encourage continued opposition to this proposed breach of banking and commerce.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Elder", written in a cursive style.

Bob Elder
President/CEO